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C O N F I D E N T I A L SECTION 01 OF 02 MANAMA 000475

SIPDIS

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NEA/ARP, EEB/CBA, EEB/TPP/MTA/IPC AND EEB/CIP/BA  
COMMERCE FOR 4520/ITA/MAC/ONE/THOFFMAN  
STATE PLEASE PASS TO USTR FOR JBUNTIN

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TAGS: ECON KIPR BA ECTRD

SUBJECT: ANTI-DREAM BOX CAMPAIGN A NIGHTMARE FOR SATELLITE  
TV PIRATES

REF: SIMPSON-BAGWELL MAY 2 E-MAIL

Classified By: Ambassador William T. Monroe, reasons 1.4 (b) and (d).

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SUMMARY  
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**¶11. (C)** After a slow start, Ministry of Information officials appear set to tackle a technologically sophisticated form of satellite TV piracy locally marketed as the Dream Box, which defeats pay-TV encryption systems. Ministry of Information Director of Publication and Press Jamal Dawood has issued a circular threatening legal action against purveyors of this product. He also announced plans to shut down internet sites responsible for providing updated encryption codes used by the Dream Box. Local executives representing relevant intellectual property rights-holders' interests believe Embassy support on this issue yielded positive results. However, local satellite TV pirates may not concede defeat easily. End Summary.

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DREAM BOX MERCHANTS WARNED  
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**¶12. (U)** Director Jamal Dawood advised EconOff May 22 that the Ministry had just launched a campaign to eliminate the illicit use of Dream Boxes in Bahrain. (Note: A Dream Box is a satellite TV receiver with a port allowing internet connectivity. These units are commonly programmed to access pirate-operated internet addresses, from which they receive codes allowing them to descramble pay-TV encryption. Dream Box is a popular brand, but also refers generically to other brands of the same equipment type. Consumers reportedly pay a nominal monthly fee to retain access to the code-providing internet sites. End Note.) Dawood provided EconOff with a copy of a circular he had issued to "all enterprises dealing in the installation of devices capable of receiving satellite TV channels." The circular declares that the programming of devices to circumvent the encryption of satellite TV is a flagrant copyright violation and threatens unspecified legal proceedings against offenders.

**¶13. (SBU)** Dawood told EconOff May 23 that, in addition to publishing the circular in the Arab and English press, officials representing his directorate had distributed the circular to known Dream Box retailers. He said these officials subsequently returned to the shops and found that the Dream Boxes had been removed from the shelves. Dawood expressed satisfaction in the fact that this action had yielded visible results, but he was not naive concerning the challenge of curtailing the sale of a product that enjoys

heavy demand. "We know that they will continue to sell these items under the table."

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ANTI-ENCRYPTION SITES TO BE SHUT DOWN  
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¶4. (SBU) Dawood said a second phase of his campaign involved shutting down the internet sites responsible for supplying Dream Boxes with the pay-TV descrambling codes. Such action would not only prevent new Dream Boxes from being programmed, but would also disable the piracy-related features of Dream Boxes already in use. He said he had already met with Bahrain's principal internet service provider, Batelco, regarding steps to shut down these sites. (Note: Arabian Anti-Piracy Alliance (AAA) representatives advise that operators of these internet sites in Bahrain have been especially persistent and quickly provide updated codes to Dream Box customers on-line whenever pay-TV providers change their encryption codes. End Note.)

¶5. (SBU) An AAA representative May 22 noted that his office had been appealing to the Ministry of Information for enforcement on this issue for some time. He believed U.S. Embassy involvement had been instrumental in leading to this significant progress (reftel). (Note: An April 29-30 regional MEPI-funded U.S. Patent and Trademark Office IPR in Broadcasting workshop in Bahrain focused additional attention on this issue. End Note.) Business Development Manager Ghada Babaa of satellite TV company Orbit told EconOff May 23 that she was hopeful that her company would at last see relief on the Dream Box issue, which Orbit cites as being responsible for a significant drag on earnings. She too expressed appreciation for the Embassy's support.

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COMMENT  
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¶6. (C) The Dream Box problem had been an exception to what industry executives report as a generally positive intellectual property rights regime in Bahrain. Ministry of Information officials had been slow to respond to this high-tech piracy problem. However, Embassy engagement with the Ministries of Industry and Commerce and Information appear to have been helpful in prompting decisive action. Local satellite TV pirates stand to lose a lucrative source of income from the Dream Box and may be expected to counter attempts to shut down their internet sites. Post will continue to follow this issue and report on future developments.

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